

The complaint

Mr S has complained that AXA Insurance UK Plc unfairly recorded him as having made a claim under his home insurance policy.

What happened

Mr S's water company wrongly informed him that he had a water leak at his property. He phoned AXA to enquire about the possibility of making a claim. AXA said that he needed to register a claim in order for it to access his policy details and advise him. Mr S agreed to proceed on that basis.

It was later discovered that the leak was outside Mr S's property and so it was the water company's responsibility.

Mr S found out that an incident had been logged on AXA's system and the Claims Underwriting Exchange (CUE). He thinks it caused his premium on renewal to rise sharply. AXA said Mr S had been clearly told a claim would be registered against him in order for it to deal with his enquiry and he had agreed to that. It also said the policy wording was clear that any claims would be shared on CUE.

Mr S complained to AXA about a different aspect of his treatment by it. AXA accepted that it had been at fault and paid him £100 compensation.

Mr S brought his complaint to this service. Our Investigator recommended the complaint be upheld. He thought AXA should remove details of the claim from CUE records and pay Mr S £50 compensation for the distress and inconvenience caused.

As AXA didn't agree, the matter has been referred to me.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I think it would be helpful for me to summarise how CUE works. It is a database containing details of all claims, attempted claims or incidents resulting in a loss, whether insured or not, that are disclosed to it. Its purpose is to help insurers identify misrepresentation and fraud. Not all insurers are signed up to CUE but the majority are. If an insurer is signed up, they'll make a record of any incident they've been made aware of regardless of whether it leads to a claim or not.

AXA has recorded Mr S's enquiry as an accidental damage claim despite the fact that he didn't suffer a loss. I don't think that was fair. It isn't something he would be obliged to disclose to other insurers. I don't think the fact that Mr S was obliged to agree to AXA registering it as a claim in order to advise him of his policy cover should change this. I think it would be different if he'd suffered a loss and not been covered by his policy for such a loss, for example because he didn't have cover under his policy for accidental damage.

AXA's responsibility is to keep accurate records. As I don't think it's done this, in order to treat Mr S fairly, AXA should remove details of the incident from CUE.

Although the CUE record states that Mr S's no claims discount was unaffected, it also stated that the claim amount was £100. The £100 paid out by AXA was compensation for poor service rather than money paid in respect of a claim. I think that was further misleading.

Mr S has suffered the inconvenience of having to sort this out and may wish to contact his new insurer to see whether this will reduce his premium. Overall I think the amount of £50 is appropriate in the circumstances to compensate him for the inconvenience caused by AXA's mistake.

Putting things right

To treat Mr S fairly I think AXA should remove details of the incident from CUE records and pay him £50 for the distress and inconvenience caused to him.

My final decision

For the reasons set out above, I uphold this complaint and require AXA Insurance UK Plc to:

- remove details of the incident from CUE records; and
- pay Mr S £50 for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 March 2024.

Elizabeth Grant
Ombudsman